



How a (truly) ecological economic system could look like

Climate change is now on everyone's lips. But nothing is changing and solutions are lacking. "System Change" is a working group of Climate Strike that presents proposals for a concrete, realistic, ecological and democratic alternative to our current system.

What is wrong with "the system"?

Many economists believe that the current system is hardly compatible with ecology. In a world where businesses are run by private profit-seeking interests, respecting the environment remains unattainable.

There are now many good books that challenge the myth of "green growth" or decoupling. We highly recommend them (in our large document available at climatestrike.ch/system-change, you will find some sources on this subject). But here we want to focus on something else: another economic model that can be environmentally friendly.

But there is no alternative...

Fortunately, the Soviet economy is not the only conceivable alternative economic system, which we are forced to sink into as soon as we decide to change some of the basic rules of the economy.

Step one

It is not the rich shareholders who are mainly interested in profit who should be able to take the big economic decisions, but the citizens! And how? Citizens could decide by vote what we want to produce and consume as a society, and how we want to use the resources we have so that we don't go beyond the limits of our planet. These decisions would then be implemented in a decentralised way by local non-profit banks. Companies would ask these local, self-managed banks for money to finance their activities. These banks would be required to respect the investment choices previously defined democratically. At the same time, they will assess, as is currently the case, whether the company is efficient before granting money.

In concrete terms, this means that Switzerland would hold a vote every two or three years on the main economic directions, in which everyone would be able to decide in which economic sectors our money should be invested. For example, would we prefer to invest in green energy or continue to pump money into fossil fuels? Do we want to encourage local food production or allow companies to import food from around the world? As mentioned above, this general framework would then have to be respected by local banks. These banks would not have external private owners who are only interested in profitability, but would be organised as cooperatives.

In order to lend money to businesses, the banks would have recourse to a common fund, built up with the help of a tax on businesses. Banks would have to respect democratic decisions when making loans. One variant to institutionalise the popular decision in practice would be to use differential interest rates: for polluting companies, interest rates would be higher than for environmentally friendly companies. This would allow money to flow into the sectors that we collectively consider important, while others would be forced to stop their polluting activities as they would probably not receive the necessary funds to survive in the long term.

In this new system, private investors and the stock market would no longer be needed to finance companies and could be abolished.

Still step one

Everyone must have an economic guarantee. The ecological transition implies growing and shrinking sectors, and therefore a major reorganisation of the workforce. If people are to be in favor of such a radical change, their jobs or income must be guaranteed. Otherwise we risk a social and economic crisis.

What does such an "economic security" look like? It can take many forms:

- Workers have guaranteed access to a job: if companies have no jobs, the state steps in as an employer of last resort and hires in ecological and social sectors. Another proposal would be a right to further training with continuity of salary. Workers who are retraining could keep the same salary until they find a new job in ecological sectors.
- A basic income is paid to all people every month. The best way to finance this would be to introduce a highly progressive tax on companies. A similar possibility would be for a part of each employee's income to be paid out through a pooling of revenues from all companies. This would allow self-employed people and labour-intensive companies to survive better. People working in polluting sectors would also be able to find a job in another company more quickly, as a job would represent a lower financial burden for a company.
- Public structures are extended: the satisfaction of basic needs such as housing, food, transport, etc. is ensured for everyone.

These two pillars - democratic investment, economic guarantee - are necessarily linked and must be implemented simultaneously if a "system change" is to be achieved.

For such a democracy-based system to be ecological, mindsets must change: if people are not convinced of the need to act in an ecological way, they will not vote for it. However, an economy that respects the two pillars described above would be a fertile ground for ecological initiatives and political decisions. Indeed, a system where each person can directly decide on the main economic directions, knowing that they are economically protected no matter what happens, seems to us to be a better option than the current capitalism.

It is also important to keep in mind that environmental problems are international. To really stop climate change, we need a global system change. So we should look for ways to contribute to a global movement, to organise internationally and to stand in solidarity with the countries of the South.

If these proposals have piqued your interest, you can find a more detailed version of these measures on our website (climatestrike.ch/system-change) to read and share. If you would like to contribute to our group, our activities and our thoughts, please write to us. We look forward to your contributions!

Website : <https://climatestrike.ch/system-change>

E-Mail : system-change@climatestrike.ch

